

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 396

Introduced by Assembly Member Hernandez

February 15, 2007

An act to add Section 1773.15 to the Labor Code, relating to public works.

LEGISLATIVE COUNSEL'S DIGEST

AB 396, as amended, Hernandez. Public works and prevailing wages: ~~health-care contributions; and welfare benefits.~~

Existing law requires contractors and subcontractors performing work on public works, as defined, that cost more than \$1,000 to pay workers performing work on the project not less than the general prevailing rate of per diem wages, as specified, and not less than the general prevailing rate of per diem wages for holiday and overtime work, as provided. Existing law specifies that "per diem wages" includes employer payments for health and welfare benefits for employees.

~~This bill would state the intent of the Legislature, if other legislation requires employers either to provide health care coverage for their employees or to pay a fee to a state purchasing pool for that purpose, to make the necessary statutory changes to require employers; that do not spend the health and welfare portion of an applicable prevailing wage determination; to provide health-care coverage and welfare benefits for their employees, to pay that amount to the state purchasing pool Controller for deposit in the Public Works Employee Health and Welfare Fund, which would be created by the bill in the State Treasury. This bill would require that money in the fund, upon appropriation by the~~

Legislature, be expended exclusively to provide health and welfare benefits for these employees.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 1773.15 is added to the Labor Code, to*
2 *read:*

3 *1773.15. (a) An employer that does not expend the amount*
4 *determined by the director to constitute the health and welfare*
5 *portion of per diem wages, as described in paragraph (1) of Section*
6 *1773.1, to provide health and welfare benefits to his or her*
7 *employees performing work on a project for which those per diem*
8 *wages are required, shall pay that amount to the Controller for*
9 *deposit in the fund.*

10 *(b) (1) The Public Works Employee Health and Welfare Fund*
11 *is hereby established in the State Treasury to receive the amounts*
12 *described in subdivision (a).*

13 *(2) Upon appropriation by the Legislature, money in the fund*
14 *shall be used exclusively to provide health and welfare benefits*
15 *for the employees described in subdivision (a).*

16 ~~SECTION 1. It is the intent of the Legislature to make the~~
17 ~~necessary statutory changes to the public works and prevailing~~
18 ~~wage laws set forth in Chapter 1 (commencing with Section 1720)~~
19 ~~of Part 7 of Division 2 of the Labor Code during the 2007-08~~
20 ~~Regular Session to reflect the enactment of health care legislation~~
21 ~~during that session.~~

22 ~~In particular, if legislation requires employers either to provide~~
23 ~~health care coverage for their employees or to pay a fee to a state~~
24 ~~purchasing pool for that purpose, it is the intent of the Legislature~~
25 ~~to require employers that do not spend the health and welfare~~
26 ~~portion of an applicable prevailing wage determination to provide~~
27 ~~health care coverage for their employees to pay that amount to the~~
28 ~~state purchasing pool for that purpose.~~